by type of inpatient care and outpatient visit. Factors for depreciation of buildings and equipment and Central Office overhead are added, based on accounting manual instructions. Additional factors are added for interest on capital investment and for standard fringe benefit costs covering government employee retirement and disability costs. The current year billing rates are projected on prior year actual rates by applying the budgeted percentage increase. In addition, based on the detail available in the Cost Distribution Report, VA intends to, on each bill break down the all-inclusive rate into its three principal components; namely, physician cost, ancillary services cost, and nursing, room and board cost. The rates generated by the foregoing methodology are the same rates prescribed by the Office of Management and Budget and published in the FEDERAL REGISTER for use under the Federal Medical Care Recovery Act, 42 U.S.C. sections 2651-2653.

(Authority: 38 U.S.C. 1729; sec. 19013, Pub. L. 99-272)

[32 FR 11382, Aug. 5, 1967, as amended at 34 FR 7807, May 16, 1969; 35 FR 11470, July 17, 1970; 36 FR 18794, Sept. 22, 1971; 47 FR 50861, Nov. 10, 1982; 47 FR 58249, Dec. 1982; 52 FR 3010, Jan. 30, 1987. Redesignated and amended at 61 FR 21965, 21967, May 13, 1996; 62 FR 17072, Apr. 9, 1997. Redesignated and amended at 64 FR 22678, 22683, Apr. 27, 1999]

§ 17.103 Referrals of compromise settlement offers.

Any offer to compromise or settle any charges or claim for \$20,000 or less asserted by the Department of Veterans Affairs in connection with the medical program shall be referred as follows:

- (a) To Chiefs of Fiscal activities. If the debt represents charges made under §17.101(a), the compromise offer shall be referred to the Chief of the Fiscal activity of the facility for application of the collection standards in §1.900 et seq. of this chapter, provided:
- (1) The debt does not exceed \$1,000, and
- (2) There has been a previous denial of waiver of the debt by a field station Committee on Waivers and Compromises.

- (b) To Regional Counsel. If the debt in any amount represents charges for medical services for which there is or may be a claim against a third party tort-feasor or under workers' compensation laws or Pub. L. 87-693; 76 Stat. 593 (see §1.903 of this chapter) or involves a claim contemplated by §1.902 of this chapter over which the Department of Veterans Affairs lacks jurisdiction, the compromise offer (or request for waiver or proposal to terminate or suspend collection action) shall be promptly referred to the field station Regional Counsel having jurisdiction in the area in which the claim arose, or
- (c) To Committee on Waivers and Compromises. If one of the following situations contemplated in paragraph (c)(1) through (3) of this section applies
- (1) If the debt represents charges made under §17.101(a), but is not of a type contemplated in paragraph (a) of this section, or
- (2) If the debt represents charges for medical services made under §17.101(b), or
- (3) A claim arising in connection with any transaction of the Veterans Health Administration for which the instructions in paragraph (a) or (b) of this section or in §17.105(c) are not applicable, then, the compromise offer should be referred for disposition under §1.900 et seq. of this chapter to the field station Committee on Waivers and Compromises which shall take final action

[39 FR 26403, July 19, 1974, as amended at 47 FR 58250, Dec. 30, 1982. Redesignated and amended at 61 FR 21966, 21967, May 13, 1996; 62 FR 17072, Apr. 9, 1997]

§17.104 Terminations and suspensions

Any proposal to suspend or terminate collection action on any charges or claim for \$20,000 or less asserted by the Department of Veterans Affairs in connection with the medical program shall be referred as follows:

(a) Of charges for medical services. If the debt represents charges made under §17.101 (a) or (b) questions concerning suspension or termination of collection action shall be referred to the Chief of the Fiscal activity of the station for

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application of the collection standards in §1.900 *et seq.* of this chapter, or

(b) Of other debts. If the debt is of a type other than those contemplated in paragraph (a) of this section, questions concerning suspension or termination of collection action shall be referred in accordance with the same referral procedures for compromise offers (except the Fiscal activity shall make final determinations in terminations or suspensions involving claims of \$150 or less pursuant to the provisions of \$1.900 et seq. of this chapter.)

[34 FR 7807, May 16, 1969, as amended at 39 FR 26403, July 19, 1974. Redesignated and amended at 61 FR 21966, 21967, May 13, 1996]

§ 17.105 Waivers.

Applications or requests for waiver of debts or claims asserted by the Department of Veterans Affairs in connection with the medical program generally will be denied by the facility Fiscal activity on the basis there is no legal authority to waive debts, unless the question of waiver should be referred as follows:

- (a) Of charges for medical services. If the debt represents charges made under §17.101(a), the application or request for waiver should be referred for disposition under §1.900 et seq. of this chapter to the field facility Committee on Waivers and Compromises which shall take final action, or
- (b) Of claims against third persons and other claims. If the debt is of a type contemplated in §17.103(b), the waiver question should be referred in accordance with the same referral procedures for compromise offers in such categories of claims, or
- (c) Other debts. If the debt represents any claim or charges other than those contemplated in paragraphs (a) and (b) of this section, and is a debt for which waiver has been specifically provided for by law or under the terms of a contract, initial action shall be taken at the station level for referral of the request for waiver through channels for action by the appropriate designated official. If, however, the question of waiver may also involve a concurrent opportunity to negotiate a compromise settlement, the application shall be re-

ferred to the Committee on Waivers and Compromises.

[39 FR 26403, July 19, 1974. Redesignated and amended at 61 FR 21966, 21967, May 13, 1996]

DISCIPLINARY CONTROL OF BENE-FICIARIES RECEIVING HOSPITAL, DOMI-CILIARY OR NURSING HOME CARE

§ 17.106 Authority for disciplinary action.

The good conduct of beneficiaries receiving hospitalization for observation and examination or for treatment, or receiving domiciliary or nursing home care in facilities under direct and exclusive jurisdiction of the Department of Veterans Affairs, will be maintained by corrective and disciplinary procedure formulated by the Department of Veterans Affairs. Such corrective and disciplinary measures, to be selectively applied in keeping with the comparative gravity of the particular offense, will consist, in respect to hospital patients, of such penalties as the withholding for a determined period of pass privileges, exclusion from entertainments, or disciplinary discharge; and, in respect to domiciled members, such penalties as confinement to sections or grounds, deprivation of privileges, enforced furlough, or disciplinary discharge. Also, for any violation of the Department of Veterans Affairs rules set forth in §1.218, or other Federal laws on Department of Veterans Affairs property, a beneficiary is subject to the penalty prescribed for the offense.

[38 FR 24366, Sept. 7, 1973. Redesignated at 61 FR 21966, May 13, 1996]

CEREMONIES

§17.110 [Reserved]

§ 17.111 Services or ceremonies on Department of Veterans Affairs hospital or center reservations.

- (a) Services or ceremonies on Department of Veterans Affairs hospital or center reservations are subject to the following limitations:
- (1) All activities must be conducted with proper decorum, and not interfere with the care and treatment of patients. Organizations must provide assurance that their members will obey